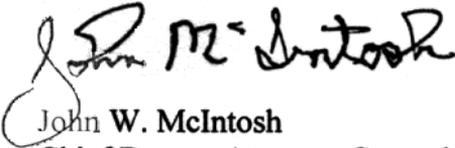


directly from the "Liability" column of the SABARS Leave Liability report. The amounts on the closing package were traced back to agency workpapers by the independent reviewer. We did not discover nor were we informed by the vendor that the "Liability" column of the final report was prepared using the old methodology of calculating the liability and was not in compliance with Generally Accepted Accounting Principles. The error in reporting the liability was the result of an error in the report and was not due to any omissions in our review process.

Please release the report with our comments at your earliest convenience. If you have any further questions, please contact Danny Edens at 734-3771.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. McIntosh". The signature is written in a cursive style with a large initial "J" and "M".

John W. McIntosh
Chief Deputy Attorney General

JWM/jde